

## Message Text

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ACTION IO-14

INFO OCT-01 EA-11 ISO-00 AF-10 ARA-16 EUR-25 NEA-14 RSC-01

OIC-04 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15 ACDA-19 PC-10

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 IGA-02 INT-08 FEA-02

DRC-01 /273 W

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R 100220Z JUN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4164

INFO USUN NEW YORK 523

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E.O. 11652: N/A

TAGS: UNDP, EAID, RP

SUBJ: UNDP - 18TH GOVERNING COUNCIL

ITEM 1, OPENING OF THE SESSION

1. 18TH SESSION OF UNDP GOVERNING COUNCIL WAS OPENED JUNE 5 BY COUNCIL PRESIDENT NARCISO REYES. BRIEF STATEMENT WAS MADE BY CARLOS ROMULO, PHILIPPINE SECRETARY FOR FOREIGN AFFAIRS, WHO CALLED FOR A DISCUSSION NOW OF GLOBAL PROBLEMS AND SAID PHILIPPINES READY TO DO ITS SHARE. IN A MESSAGE READ BY UNDP ADMINISTRATOR RUDOLPH PETERSON, UN SECRETARY-GENERAL WALDHEIM CALLED FOR WILL TO CONVERT GOALS OF GA SPECIAL SESSION INTO PRACTICAL RESULTS. HE SAID THAT WHILE IT MAY BE NECESSARY TO CREATE NEW MECHANISMS FOR THIS PURPOSE, FIRST PRIORITY IS TO USE EXISTING INSTITUTIONS AND ROLE OF UNDP IS OF CRITICAL IMPORTANCE. IN BRIEF PERSONAL REMARKS, PETERSON STATED THAT WHILE THIS IS CRITICAL TIME, HE SEES OPPORTUNITIES FOR PROGRESS IN SUCH VITAL AREAS AS FOOD, POPULATION, ENERGY, AND ARMS REDUCTION. UNDP, AS LARGEST SOURCE OF MULTILATERAL COOPERATION, WOULD HAVE

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MAJOR ROLE TO PLAY, HE ADDED.

2. MAJOR ADDRESS OF OPENING OF 18TH SESSION WAS DELIVERED BY PHILIPPINES PRESIDENT MARCOS. MARCOS BEGAN ADDRESS BY STATING THAT UNDP, MEETING FOR FIRST TIME IN ASIA, WOULD ENCOUNTER AT FIRST HAND, ON SCALE GREATER ANYWHERE ELSE, PROBLEMS OF DEVELOPMENT WHICH UNDP HELPING TO SOLVE. HE SAW ASIA AS MAJOR TESTING GROUND FOR UN'S CAPACITY TO ACHIEVE ITS PRINCIPAL OBJECTIVES, FROM DISARMAMENT TO DEVELOPMENT. MARCOS ALSO FOUND TIMING OF 18TH SESSION SIGNIFICANT IN THAT IT COINCIDED WITH WORLD-WIDE ECONOMIC CRISIS WHICH WAS BROUGHT INTO SHARP FOCUS BY SPECIAL SESSION OF GENERAL ASSEMBLY. HE SAW LARGER ROLE FOR UNDP IN NEW ECONOMIC ORDER ENVISAGED BY GA, PROVIDING NECESSARY RESOURCES AVAILABLE.

3. MARCOS SAW MEETING OF COUNCIL IN MANILA ASSIGNED HONOR FOR PHILIPPINES AND ESPECIALLY RELEVANT TO PRESENT ORIENTATION OF WHOLE PHILIPPINE SOCIETY TO DEVELOPMENT. HE CITED DIVERSE CULTURES HAVING ENRICHING INFLUENCE ON PHILIPPINE CULTURE AND SAID THAT IN 1898 PHILIPPINES GAINED DISTINCTION OF BEING FIRST NATION IN ASIA AND AFRICA TO WAGE SUCCESSFUL ANTI-COLONIAL REVOLUTION AND PROCLAIM INDEPENDENT REPUBLIC.

4. MARCOS SAID THAT PHILIPPINES ENGAGED IN BUILDING NEW SOCIETY. PUTTING FIRST THINGS FIRST, PHILIPPINE GOVERNMENT HAD STRENGTHENED FRAMEWORK OF AUTHORITY, ORDER AND INTEGRITY INDISPENSIBLE TO ACCELERATED DEVELOPMENT. WITHIN THIS FRAMEWORK, ESSENTIAL STRUCTURAL CHANGES BEING EFFECTED AND GOVERNMENT WAS BEING MODERNIZED AND IMBUED WITH FRESH DEDICATION TO PUBLIC SERVICE. DYNAMIC PARTNERSHIP WITH PEOPLE WOULD ENSURE THEM FULL SHARE IN BENEFITS AS WELL AS TASKS OF DEVELOPMENT.

5. MARCOS SAID NEW SOCIETY CONCEIVED OF DEVELOPMENT AS ANOTHER NAME FOR NATION BUILDING. UNDER NEW SOCIETY, FILIPINO PEOPLE WERE RESPONDING TO CHALLENGE OF DEVELOPMENT AT THREE LEVELS: FIRST, THEY WERE PUTTING OWN HOUSE IN ORDER, MAXIMIZING SELF-HELP, ESTABLISHING MORE EQUITABLE ECONOMIC AND SOCIAL ORDER, AND UTILIZING COUNTRY'S HUMAN AND MATERIAL RESOURCES IN PRODUCTIVE ENTERPRISES CALCULATED TO PROMOTE WELL BEING OF ALL GROUPS OF POPULATION. SECONDLY, PHILIPPINES WAS ASSIDUOUSLY IMPLEMENTING CONCEPT OF REGIONAL COOPERA-

TION, ESPECIALLY WITH PARTNERS IN ASSOCIATION OF SOUTHEAST ASIAN  
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NATIONS (INDONESIA, MALAYSIA, SINGAPORE AND THAILAND). THIRDLY, AT GLOBAL LEVEL, PHILIPPINES, AMONG OTHER THINGS, HAD TAKEN ACTIVE PART IN FORMULATION OF INTERNATIONAL DEVELOPMENT STRATEGY FOR SECOND DEVELOPMENT DECADE, IN RESTRUCTURING OF UNDP, AND IN DRAWING UP THE DECLARATION OF PRINCIPLES FOR A NEW ECONOMIC ORDER AND THR PROGRAM OF ACTION FOR ITS IMPLEMENTATION.

6. BUT WHILE DEVELOPING COUNTRIES MUST STRIVE FOR MAXIMUM SELF-

HELP, MARCOS ASSERTED, MAJOR RESPONSIBILITY FOR IMPROVING WORLD ECONOMIC SITUATION RESTS WITH RICH, DEVELOPED COUNTRIES. WITHOUT UNSTINTING COOPERATION OF DEVELOPED COUNTRIES, BEST EFFORTS OF DEVELOPING COUNTRIES WOULD COME TO NAUGHT. DEVELOPING COUNTRIES PRESENTLY SUFFERING SERIOUS ECONOMIC DIFFICULTIES DUE TO WORLD-WIDE INFLATION, ENERGY CRISIS, HIGH PRICES OF INDUSTRIAL GOODS AND OTHER ESSENTIAL IMPORTS, AND MONETARY INSTABILITY. DRAIN ON PHILIPPINE FOREIGN EXCHANGE RESERVES HAD PLACED NATIONAL DEVELOPMENT PROGRAMS IN JEOPARDY. RECENT GA SPECIAL SESSION, ACUTELY AWARE OF PLIGHT OF DEVELOPING COUNTRIES, HAD AIMED AT COMPLETE RESTRUCTURING OF RELATIONSHIP BETWEEN RICH AND POOR NATIONS. WIDE RANGING DIALOGUE BETWEEN DEVELOPED AND DEVELOPING COUNTRIES AT SPECIAL SESSION HAD PRODUCED THREE HOPEFUL ASPECTS: (1) READINESS OF BOTH SIDES TO MAKE FULLER USE OF UN SYSTEM IN RESTRUCTURING WORLD ECONOMIC ORDER, (2) EMERGENCE ON PART OF SOME LEADING INDUSTRIALIZED COUNTRIES OF NEW POLITICAL WILL TO BRIDGE ECONOMIC GAP, AND (3) SENSE OF RESPONSIBILITY SHOWN BY OIL-EXPORTING COUNTRIES IN PROMPTLY TAKING PRACTICAL STEPS TO HELP POOR COUNTRIES MOST SERIOUSLY AFFECTED BY PRESENT CRISIS.

7. IN LATTER REGARD, MARCOS CITED (1) OFFER OF SHAH OF IRAN TO PROVIDE EQUIVALENT OF 1 BILLION DOLLARS TO INTERNATIONAL FINANCIAL INSTITUTIONS AND HIS INITIATIVE FOR ESTABLISHMENT OF FUND FOR SOFT TERM LOANS TO ALLEVIATE IMMEDIATE BALANCE OF PAYMENTS DIFFICULTIES AND IMPLEMENT DEVELOPMENT PROGRAMS; (2) 2 BILLION DOLLARS DEVELOPMENT

AID BY SAUDI ARABIA IN 1973 AS WELL AS SAUDI PARTICIPATION IN THREE DEVELOPMENT FUNDS, CONTRIBUTIONS OF FERTILIZER, AND DONATION OF 50 MILLION DOLLARS TO WORLD FOOD PROGRAM; (3) KUWAIT PLANS TO INCREASE CAPITAL OF KUWAIT DEVELOPMENT FUND FROM 600 MILLION DOLLARS TO OVER 3 BILLION DOLLARS AND TO EXTEND ASSISTANCE TO OTHER DEVELOPING COUNTRIES, INCLUDING NON-ARABS; (4) IRAQI COMMITMENT TO CONTRIBUTE

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500 MILLION DOLLARS IN GRANTS AND LOANS TO DEVELOPING COUNTRIES; AND (5) VENEZUELAN CONTRIBUTIONS TO DEVELOPMENT AID PROGRAMS, MAINLY FOR BENEFIT OF LATIN AMERICAN COUNTRIES. MARCOS SAW SPECIAL ASSEMBLY ACTION AS CONSTITUTING NO MORE THAN FIRST STEPS IN LENGTHY AND ARDUOUS PROCESS BUT CALLED UPON RESPONSIBLE LEADERS OF INTERNATIONAL COMMUNITY TO GIVE IMPLEMENTATION OF DECLARATION OF PRINCIPLES AND PROGRAM OF ACTION HIGHEST PRIORITY.

8. MARCOS SAW MANKIND MOVING IN SLOW, PAINFUL STEPS TOWARDS A WORLD GOVERNED BY WORLD LAW. WORLD LEADERS PRESENTLY PRESSED WITH URGENT PROBLEMS OF SURVIVAL COULD NOT BUT PRAY FOR DAY WHEN UN WOULD HAVE AUTHORITY AND POWERS OF GOVERNANCE WITH A FORCE CAPABLE OF ENFORCING ITS DECISIONS AND A LAW ACCEPTABLE TO ALL. CRY FOR SANITY WOULD COME FROM SMALL AND DEFENSELESS NATIONS, BUT DREAM COULD BE BROUGHT ABOUT ONLY BY DECISIONS OF BIGGER POWERS. MARCOS SAID MOST SIGNIFICANT

PROGRESS TOWARD GOAL OF EFFECTIVE COOPERATION IN SOLVING INTERNATIONAL PROBLEMS HAD BEEN MADE IN UNDP'S DOMAIN OF INTERNATIONAL COOPERATION FOR DEVELOPMENT.

9. MARCOS ASSERTED THAT UNDP, WITH INCREASING EFFECTIVENESS, HAD PLAYED PIVOTAL ROLE AS CATALYST OF ECONOMIC AND SOCIAL DEVELOPMENT BY PROVIDING CRITICALLY NEEDED TECHNICAL AND PRE-INVESTMENT ASSISTANCE. IN PROCESS, IT HAD FOSTERED EXEMPLARY SPIRIT OF PARTNERSHIP AMONG PARTICIPATING NATIONS. IN PHILIPPINES, UNDP IS LARGEST SOURCE OF PRE-INVESTMENT AND TECHNICAL ASSISTANCE, PROVIDING 27 PERCENT OF SUCH AID IN 1973. 52 PERCENT OF SUCH AID CAME FROM UN SYSTEM AS A WHOLE. HE EXPRESSED APPRECIATION FOR UNDP ASSISTANCE, WHICH HE SAID HAD BEEN OF INESTIMABLE VALUE IN EXPEDITING IMPLEMENTATION OF IMPORTANT ASPECTS OF PHILIPPINE FOUR-YEAR DEVELOPMENT PLAN.

10. MARCOS NOTED APPREHENSION THAT CONTRIBUTIONS TO UNDP MIGHT DECLINE DUE TO CURRENT ECONOMIC CRISIS AT VERY MOMENT WHEN SUBSTANTIAL ANNUAL INCREASE IS NEEDED TO MAINTAIN MOMENTUM OF DEVELOPMENT. CHALLENGE PRESENTED TO INDUSTRIALIZED COUNTRIES AT SPECIAL SESSION, HE SAID, WAS NOT TO IRRECONCILABLE CONFLICT BUT TO MASSIVE JOINT COMMITMENT TO FASHION TOGETHER A MORE RATIONAL AND EQUITABLE RELATIONSHIP. WHILE SOME DELEGATES HAD ADOPTED NEGATIVE ATTITUDES, MAINSTREAM WAS IN THE DIRECTION OF A BETTER WORLD FOR ALL NATIONKLM TOWARDS WHAT MAY BE DESCRIBED AS A "GLOBAL NEW SOCITY". UNDP, HE CONCLUDED WAS AT FOREFRONT OF THIS MAINSTREAM, MAKING

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A VITAL CONTRIBUTION TO INTERNATIONAL SECURITY AND AT THE SAME TIME HELPING TO IMPROVE THE HUMAN CONDITION IN THE DEVELOPING REGIONS OF THE WORLD.

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